

**Advisory Committee to the Secretary of Commerce  
on Measuring Innovation in the 21<sup>st</sup> Century Economy**

**February 22, 2007**

Wyndham Washington Hotel

**AGENDA**

**Opening Remarks [2:00 – 2:20]**

**Welcome and Charge to the Committee**

Secretary Carlos M. Gutierrez

**Introduction of the Committee Members**

Under Secretary Cynthia A. Glassman

**Call to Order**

Chair Carl Schramm, CEO and President, Ewing Marion Kauffman Foundation.

**Discussion: How Does Innovation Occur? [2:30 – 3:30]**

Innovation occurs when individuals and institutions (governments, universities, and firms) take risks by investing in new science and technology, experiment with business processes, and create new products and services. However, the paths followed from making the investment through generating returns vary considerably, not only among innovating entities, but also by specific projects undertaken.

The focus of this Advisory Committee is on private sector returns to innovation. Our working definition characterizes business innovation as the development and implementation of new or altered products, services, processes, systems, organizational structures, or business models for the purpose of creating new value for customers and financial returns for the firm.

The Committee will discuss the range of paths by which new ideas are transformed into commercial activities, such as new firm creation, internal and external collaboration, mergers and acquisitions, patent licensing, and financing mechanisms, for the purpose of identifying points in the innovation process where measurement might be possible.

**BREAK [3:30 – 3:45]**

**Discussion: How Can Innovation Be Measured? [3:45 – 5:15]**

By our definition, innovation requires that value be created: change must result in value to the customer sufficient to generate a return for the firm. The Committee will discuss how the data that firms collect for their own management purposes can offer direction in developing measures of innovation that are applicable either for specific industry sectors or economy wide.

**Wrap-up and Next Steps [5:15 – 5:25]**

Chairman Schramm will wrap up the discussion and outline next steps: the Committee will work over the spring and summer with the goal of delivering specific recommendations to the Secretary by the fall.

**Concluding Remarks [5:25 – 5:30]**